

## Response to Greenpeace USA Campaign

## 22 March 2013

Greenpeace USA claims on its website that APRIL is cutting down the last remaining natural forests in Indonesia. That is simply not true and is misleading for any consumer considering using our products.

Indonesia has a total forest estate of approximately 324 million acres (131 million hectares), of which about 40% or 131 million acres (53 million hectares) is zoned as conservation and protected forests. The remaining 60% of the total estate is zoned as production forests by the Government, and APRIL and its supply partners' concessions to grow acacia trees are located within these production forest zones. APRIL has licenses to do this issued through a rigorous process by the Indonesian Government. All fibre used by APRIL comes from legal and verifiable sources, which are certified by third parties.

Before it establishes plantations, APRIL works with third parties to conduct high conservation value forest assessments. Our main supply partners do the same. Since 2005, 36 of these assessments have been done, resulting in more than 490,000 acres (200,000 hectares) of conservation forest and indigenous tree species being set aside and protected by APRIL and supply partners.

As Greenpeace's own maps show, only part of APRIL's and our supply partner's concessions involve plantation establishment, overall, about half. The other 50% comprises of conservation areas, community farming areas and land available to local communities for other uses.

The Greenpeace maps also highlight one of the key challenges in Indonesia. The harsh reality is that forest areas that are not legally and responsibly managed are subject to illegal logging, slash-and-burn farming and human encroachment. Conservation areas are not set aside and there is no scrutiny by proper authorities. Even national parks are not safe from this destruction.

Our operations, in contrast, are responsibly managed. We conserve important areas of forest and our track record in protecting conservation areas is strong.

Greenpeace is right that much of our land area is on peatland and that peatland requires special management to minimize the release of carbon. Peatlands under APRIL's management are well cared for.

The illegal logging and human encroachment we've already mentioned devastates peatland and releases carbon when the land is left unmanaged. We take a scientific approach to peatland management to minimize the impact of our activities. We manage water levels, we protect critical peat dome areas and we ensure rapid replanting of our plantations so the land is covered by trees for as much of the time as possible. Last year, APRIL and its supply partners planted more than 100 million trees in our concessions.

Greenpeace is also correct that back in 2004 we forecast that we would have completed plantation establishment by 2009. That didn't happen because we slowed down our activities to ensure conservation assessments were conducted first. We also allowed time for some disputes with local communities to be resolved through dialogue. We missed our deadline, but we missed it for the right reasons and for those same reasons, we have not set a new deadline.

APRIL and its supply partners are working towards a goal of establishing sufficient plantation sources to meet future fibre supply needs. Out of the entire concession land area held by APRIL and its supply partners, less than 10% remains to be established as plantations.

Our activities have on occasion come under dispute by local communities where we operate. In any country which has an emerging economy and a clear development need, there are people who welcome that development for the shared value it brings, and there are those people who do not want it or are concerned they will miss out on those benefits.

When disputes do occur, we work with communities and often with third parties to try to resolve those disputes. The majority of communities where we operate have consented to our presence through community agreements. Typical agreements include our commitment to job creation, community farming support and significant improvements in health, education and infrastructure services that benefit the communities as a whole.

While we're on this subject, the Greenpeace USA site talks about two villages (Sipituhuta and Pandumaan) as being in conflict with APRIL. For the record, the company that operates in that area is not owned or managed by APRIL. Further, APRIL does not operate in or source fibre from that area, and has no part in community disputes that have occurred there.

The company that operates in that area is a separate company listed on the Jakarta Stock Exchange in which the Chairman of APRIL has shares. It grows eucalyptus trees on concession land licensed by the Government. At the request of the local community, the resin trees mentioned by Greenpeace have in fact been left untouched by the company and remain fully accessible for local community use.

Despite this, the company has since 2009 been the subject of numerous arson attacks and acts of physical violence against employees, but remains open to a resolution of the issues through dialogue. More information on the facts can be found in the company's <u>recent media statement</u> and detailed <u>chronology of events</u>.

The Greenpeace USA campaign is seeking to make consumers who buy our PaperOne office paper feel guilty, claiming they are subsidizing rainforest destruction. The opposite is true.

People who buy PaperOne, which is made from renewable plantation fibre, are in fact subsidizing the protection of over 490,000 acres of conservation forest; the creation of livelihood opportunities for almost 25,000 people who have few economic alternatives; supporting improved healthcare and education for local communities, as well as a model for responsible development that is in stark contrast to unsustainable, destructive and illegal land degradation that is rampant all over Sumatera and Indonesia.

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